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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|-------------|----------------------|---------------------|------------------|
| 09/993,243 | 11/06/2001 | John T. McHale IV | 66944/8455 | 1052 |
| 21888 7590 10/09/2009 THOMPSON COBURN LLP ONE US BANK PLAZA SUITE 3500 ST LOUIS, MO 63101 | | | | |
| EXAMINER | | | | |
| GORT, ELAINE L | | | | |
| ART UNIT | | PAPER NUMBER | | |
| 3687 | | | | |
| NOTIFICATION DATE | | DELIVERY MODE | | |
| 10/09/2009 | | ELECTRONIC | | |

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1 RECORD OF ORAL HEARING
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3 UNITED STATES PATENT AND TRADEMARK OFFICE
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6 BEFORE THE BOARD OF PATENT APPEALS
7 AND INTERFERENCES
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10 *Ex parte* JOHN T. MCHALE, IV and JEROME KATZ
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13 Appeal 2009-002337
14 Application 09/993,243
15 Technology Center 3600
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18 Oral Hearing Held: August 13, 2009
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23 Before MURRIEL E. CRAWFORD, JOSEPH A. FISCHETTI, and BIBHU
24 R. MOHANTY, *Administrative Patent Judges*.
25

26 ON BEHALF OF THE APPELLANT:
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35 The above-entitled matter came on for hearing on Thursday, August 13,
36 2009, at the U.S. Patent and Trademark Office, 600 Dulany Street,
37 Alexandria, Virginia, before Victor Lindsay, Free State Reporting, Inc.

PROCEEDINGS

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MS. BEAN: Good afternoon, Calendar No. 54, Mr. Volk.

JUDGE CRAWFORD: Good afternoon.

MR. VOLK: Good afternoon.

JUDGE CRAWFORD: How are you?

MR. VOLK: I'm doing well.

JUDGE CRAWFORD: You can begin when you're ready.

MR. VOLK: Thank you. My name is Ben Volk, and I'm representing the Applicant, John McHale, et al. in the appeal of this application. And I'd like to start by kind of summarizing what the invention addresses. It deals with systems and methods that enable establishments such as restaurants and bars to better and more cost-effectively serve their patrons. And a foundational piece of this is a patron station which can be a touch screen display that's located at the tables inside of restaurants, and patrons can put their orders in for food and those orders get routed to the staff for filling. And that's kind of an important piece of it, but that's the piece that's known in the art, pieces like that have been used before. But the inventor believes that what has hampered the widespread deployment of systems such as this is that they haven't really been able to generate revenue that establishment owners need to kind of justify the costs. And to solve this problem, the inventor developed a network system that delivers targeted advertisements to customers through the stations. And in this way, the patron stations that are located at the tables become a revenue generator in and of themselves for the restaurant owner, and that lets them kind of have a new source of income in addition to just serving food and drink to customers.

1 The question then becomes how can such a revenue strategy be
2 implemented, and for that the inventor's solution employs two additional
3 components. One of them is an establishment server and the other
4 component is a central server. The establishment server is kind of a
5 centralized hub inside the establishment that connects to the different patron
6 stations. And this establishment server is going to execute an advertisement
7 selection program, and that program is going to select which of several
8 advertisements are going to be displayed on a patron station at any given
9 time. And an additional level up above the establishment server, there is a
10 central server. And this is a kind of a centralized server that serves -- one
11 establishment server, but ideally it's going to be serving several
12 establishment servers. And it provides kind of a centralized control over the
13 advertisement selection programs that are sent to different establishment
14 servers to realize an advertising strategy for the customers.

15 Figures 1 and 2 of the patent application kind of give you a good
16 illustration of this system. And it shows the hierarchal arrangement of a
17 central server feeding a portion of an advertisement selection program to an
18 establishment server, and then the establishment server then running that
19 advertisement selection program to send ads for display on the patron
20 stations. And when you take a look at the art that has been relied on by the
21 Examiner, the primary reference is the Ragsdale Elliot reference and this
22 reference only tangentially deals with advertisement display on patron
23 stations. And it's our position that it's completely silent with regard to the
24 concept of centralizing control over the advertisements by an advertisement
25 selection program that comes from a central server.

1 JUDGE MOHANTY: You're saying there's no central server in this
2 reference ?

3 MR. VOLK: Correct, not a central server that sends a portion of an
4 advertisement selection program to an establishment server. The Examiner's
5 rejection is premised on an erroneous interpretation of claim term
6 advertisement or advertisements. And he relies on that interpretation to
7 essentially allege that there is a central server in Ragsdale Elliot. And the
8 erroneous part of this interpretation is that the Examiner has interpreted
9 advertisements to encompass a photo image of a menu item. And as I'll
10 demonstrate below, we believe that is an erroneous and unreasonable
11 interpretation.

12 The rejections are Claims 1 and 65 rejected for anticipation based on
13 Ragsdale, and independent claims 24, 46, 54, and 71 rejected for
14 obviousness based on Ragsdale in combination with official notice. Once
15 again, it's our position that it's unreasonable to interpret advertisements as
16 encompassing menu items such as an image of a menu item, and that can be
17 found on page -- the Examiner's interpretation can be found at page 3 of the
18 Examiner's Answer. First, the Examiner's interpretation is not asserted with
19 any reference to the specification which is contrary to Phillips and the
20 Office's broadest reasonable interpretation policy. And most importantly,
21 this interpretation of the word advertisement conflicts with the claim
22 language in the specification. First --

23 JUDGE FISCHETTI: Do you define advertisement in the spec?

24 MR. VOLK: Advertisement is not specifically defined in the spec.

25 JUDGE FISCHETTI: And I believe the Examiner provided a
26 definition?

1 MR. VOLK: Yeah, a dictionary definition.

2 JUDGE FISCHETTI: In, in the record?

3 MR. VOLK: Yes.

4 JUDGE FISCHETTI: Does your Brief make objection to that
5 dictionary definition?

6 MR. VOLK: Yes, based on the language of the claims themselves
7 which separately recite the word menu item, display of a menu item, and
8 also recites a display of an advertisement. If one were to accept the
9 Examiner's definition that would essentially read the word advertisement out
10 of the claim because the patron station would just be displaying menu items.

11 JUDGE FISCHETTI: But the Brief doesn't say the definition in the
12 record by the Examiner from the dictionary is challenged as improper and
13 unreasonable, is that right?

14 MR. VOLK: I think the dictionary definition that came in the
15 Examiner's Answer and the Reply Brief -- there is not a specific statement in
16 the Reply Brief challenging the dictionary definition, but there are
17 statements that are disputing the Examiner's broad interpretation of
18 advertisement after the dictionary definition was asserted. And it's citing the
19 Phillips case saying that a person of ordinary skill in the art is deemed to
20 read a claim term not only in the context of a particular claim in which the
21 term appears, but in the context of the entire patent including the
22 specification.

23 JUDGE FISCHETTI: I went through Ragsdale, you know, myself
24 and I saw Figure 3 and it looks like one of the menu items that they're
25 talking about, Element 1, is a description of advertisement. Then if you go

1 through the specification at Ragsdale and you go through it and you see
2 column 7. One of the options is to view advertisement.

3 MR. VOLK: I guess our position is that if you look at Ragsdale
4 Elliott, those advertisements are not coming from -- the selection of that
5 advertisement is not being governed by a program that comes from a central
6 server. It's hosted entirely locally on the establishment server. A
7 counterpart to the establishment service in Ragsdale would be his server
8 (10), all the action is going there. The only reference to a central server or at
9 least something outside the establishment in Ragsdale is when Ragsdale
10 mentions that you can download images of photo items to the establishment
11 from an Internet database. Yeah, so --

12 JUDGE FISCHETTI: Actually, though, it says you can link --

13 MR. VOLK: Well, if you, if you read --

14 JUDGE FISCHETTI: -- that's in column 5, line 40.

15 MR. VOLK: If you read that passage closely, what it's saying is that
16 you would download it for linking, column 5. So you would download the
17 image and then within the establishment server, you would link that image
18 with a, with a menu item. So you'd get a picture of hamburger and it would
19 go with the, with the menu item of hamburger that goes on the display
20 screen. And that linking isn't a link to a central server, it's a link that is made
21 within the establishment server itself.

22 JUDGE FISCHETTI: But at some point, that download is a
23 communication at least initially.

24 MR. VOLK: Our interpretation is it's a download of a menu item, it is
25 not a download of an advertisement selection program or a portion thereof.

1 JUDGE FISCHETTI: So that would get back to the definition of
2 whether or not that image of the hamburger is an advertisement.

3 MR. VOLK: Correct.

4 JUDGE FISCHETTI: -- becomes an advertisement which is part of
5 the menu selection.

6 MR. VOLK: Correct. And on that front, if you look at the claim
7 language itself, it uses menu items separately from advertisements. And
8 beyond the language of the claims itself, the specification confirms that that
9 is the only reading -- reasonable, reasonable reading of the claims that a
10 person of ordinary skill in the art would take. And some examples of that
11 would be in the specification at page 5, lines 21 to 26, the word also is used
12 to bring -- to bridge the display of menu items with the display of
13 advertisements indicating that they are separate things. Page 5, lines 15 to
14 18 --

15 JUDGE MOHANTY: I have a question. Why, why is -- if I may, it
16 says -- on the menu it says you have a hamburger and next to it you have a
17 little image of a juicy hamburger. Why isn't that picture of a hamburger an
18 advertisement?

19 MR. VOLK: If it's a picture of the hamburger that you're to be
20 ordering, it, it's the menu item.

21 JUDGE MOHANTY: I mean when I see that, I don't -- to me it
22 almost seems like an advertisement like why -- I don't understand how you
23 can make a distinction between that and -- that picture of a hamburger seems
24 like it's almost more of an ad. You have the word hamburger next to it and
25 then you have a picture of it. I'm not, I'm not seeing that distinction.

1 MR. VOLK: I guess it's -- the specification does define menu item,
2 and a menu item --

3 JUDGE MOHANTY: I mean if I drive down the highway and I see
4 big billboard with a picture of a big juicy hamburger on there, just the
5 picture, I mean I think of that as an advertisement, not as a menu item.

6 MR. VOLK: But in the, in the context of the claims with a patron
7 station that electronically displays a menu item and an advertisement, the --

8 JUDGE MOHANTY: I see that, but when it's there, won't it be like a
9 picture of a hamburger? I mean when I get menus now, they always have a
10 picture of a hamburger and the actual text hamburger. I mean isn't that
11 picture of a hamburger, isn't that an advertisement?

12 MR. VOLK: It would be a menu item in the context of the claims as
13 they would be understood by a person of ordinary skill in the art based on a
14 reading of the claim language which separately lists menu items and
15 separately list advertisements. And then if you read the specification, it
16 makes clear that the menu items would be the things that you can order and
17 icons associated therewith. And it describes advertisement as something
18 coming from an advertiser that the establishment owner is deriving
19 advertising revenue from. So if it's an image of the hamburger that's already
20 being offered by the restaurant, the establishment owner is not obtaining any
21 advertising revenue from showing that image because it's his own image.
22 To, to derive advertising revenue, it's got to be coming from a third party
23 that's paying the establishment to present that image to the customer.

24 JUDGE CRAWFORD: So now we understand that you -- what your
25 invention is, how is that reflected in the claim?

1 MR. VOLK: So Claim 1, Claim 1 recites a -- at least one patron
2 station. And the first paragraph there, it's where it separately lists an
3 electronic -- electronically display a plurality of menu items and
4 electronically display at least one advertisement. And then the patron station
5 also receives order input corresponding to one of the menu items. Then you
6 have the establishment server, and the establishment server has a database
7 that stores a plurality of advertisements. And it also has an advertisement
8 selection program for selecting which of the stored advertisements are to be
9 communicated to said at least one patron station for display thereon. And
10 then that establishment server takes in the order input from the patron
11 stations, it executes the advertisement selection program, and then based on
12 that execution, it sends an advertisement to the patron station for display.
13 And then the claim also has a central server that's in communication with the
14 establishment server, the central server being configured to communicate at
15 least a portion of the advertisement selection program to the establishment
16 server.

17 And independent Claim 24, it is a method claim and the operative step
18 there is that the establishment server is receiving a portion of the
19 advertisement selection program from the central server via a network.
20 Method claim -- independent method Claim 46 is very similar to 24, but it's
21 from the perspective of the central server rather than the establishment
22 server. And 54 is similar to independent Claim 1, but it kind of more clearly
23 explicitly -- explains the kind of a pyramid structure where you have a central
24 server which could be talking to several establishment servers which, in turn,
25 have their own patron stations.

1 JUDGE FISCHETTI: Brief groups all your independents in one
2 argument, though, right?

3 MR. VOLK: I guess the -- all of the claim rejections -- I think the
4 Brief kind of groups it in three groups, but kind of two of them being most
5 important. But, but the issue that permeates all of the claims is the
6 interpretation of the advertisement to encompass the image of a menu item.
7 And that, that permeates the entire rejection because it's -- tags along with
8 the central server and also it tags along with the official notice citation as
9 well.

10 And another comment would be there's a case that is not cited in the
11 Brief, it came down after the Brief was -- the Reply Brief was filed. It's In
12 re Buzzard, and that's a case dealing with the broadest reasonable
13 interpretation issue where the Federal Circuit found that the broadest
14 reasonable interpretation of the claim term "flexible polyurethane foam
15 reaction mixture" does not encompass any reaction mixture which produces
16 at least ultimately a flexible polyurethane foam which would have included a
17 crushed, rigid foam mixture because they found that that interpretation
18 would have been inconsistent with the claims and the specification. So that's
19 an interesting example of the -- not being able to use the broadest reasonable
20 interpretation policy to come to a meaning that conflicts with the claim
21 language itself and the specification. And the citation there is 504 F.3rd,
22 1364 Federal Circuit 2007.

23 And then another comment I have is that even if one were to accept
24 the Examiner's interpretation of advertisement, and this is explained in the
25 Reply Brief, Ragsdale would not qualify as prior art against the claims
26 because the priority application for this would disclose all elements of Claim

1 1 that -- at least under the Examiner's interpretation of Claim 1. The priority
2 application deals with an establishment server and patron stations. And it
3 mentions that you can display advertisements on the patron stations, and it
4 says that you can go to an Internet server to get those advertisements, but it
5 doesn't deal with a centralized server that communicates the advertisement
6 selection program. But if one were to interpret advertisement as the
7 Examiner has, Claim 1 would find it falls apart in the priority application --

8 JUDGE FISCHETTI: Counsel, correct me if I'm wrong, I have yet to
9 see that argument in the Brief.

10 MR. VOLK: It's in the Reply Brief.

11 JUDGE FISCHETTI: Reply Brief?

12 MR. VOLK: Yeah, Reply Brief that was filed April 2007.

13 JUDGE MOHANTY: And you raised it for the first time in the Reply
14 Brief.

15 MR. VOLK: Correct.

16 JUDGE MOHANTY: It was not raised in the Appeal Brief or in
17 prosecution?

18 MR. VOLK: Correct.

19 JUDGE FISCHETTI: Why take the last page on your, on your
20 opportunity to be heard to bring it up?

21 MR. VOLK: I, I was not the person who was involved in the Appeal
22 Brief, the Reply Brief, but --

23 JUDGE MOHANTY: I'm not -- it's almost a new issue in some ways.
24 You're not -- I'm not sure you're rebutting something that the Examiner said.

25 MR. VOLK: I, I -- the -- what I interpreted the Reply Brief as doing
26 was responding to the new dictionary definition that the Examiner had

1 brought in the Examiner's Answer and citing the Phillips case saying you
2 should look at the claims and the spec before relying on the dictionary
3 definition. And then also noting that if you were to accept the Examiner's
4 interpretation from the Examiner's Answer that this Ragsdale reference
5 wouldn't qualify as prior art.

6 JUDGE CRAWFORD: Thank you.

7 MR. VOLK: Thank you.

8 (Whereupon, the hearing concluded on August 13, 2009.)